

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations.

Rulemaking 12-06-013  
(Filed June 21, 2012)

**REPLY COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES  
ON THE PROPOSED DECISION ON THE REQUIREMENTS OF  
CALIFORNIA PUBLIC UTILITIES CODE § 745  
FOR DEFAULT TIME-OF-USE (TOU) RATES  
FOR RESIDENTIAL CUSTOMERS**

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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Office of Ratepayer Advocates (ORA) hereby submits the following Reply to Comments on the August 29, 2017 Proposed Decision (PD) of Administrative Law Judges (ALJs) McKinney, Park, and Tsen in Rulemaking (R.) 12-06-013, the Residential Rate Reform Order Instituting Rulemaking (RROIR).

**II. DISCUSSION**

In Opening Comments, no party expressed opposition to the PD, however several parties proposed changes to the PD. ORA responds to issues raised by The Utility Reform Network (TURN) and San Diego Gas & Electric Company (SDG&E).

**A. TURN’s recommendation that the Commission not consider default pilot data in future proceedings has no merit and should be rejected.**

In Opening Comments on the PD, TURN recommends that “any future reevaluation of exclusions use only additional data from the ongoing opt-in pilots.”<sup>1</sup> TURN argues that considering default pilot data such as load and billing impacts “could be inappropriately used to dilute analytical results”<sup>2</sup> from the opt-in pilots.

The Commission states in the PD that the exclusion of hot climate California Alternate Rates for Energy and Family Electric Rate Assistance (CARE/FERA) customers from default TOU rates would “also apply to default time-of-use rates” unless additional data and analysis in a future Commission proceeding should “demonstrate good cause for change.”<sup>3</sup>

It is unreasonable to exclude the default pilot results in setting policy for the full default implementation. The default pilots serve primarily to test operational readiness and customers’ responses to default outreach and education, but will also provide additional valuable data about load and bill impacts for customers defaulted to TOU rates. TURN provides no persuasive justification as to why the Commission should not consider all relevant data, including load and bill impact data from the default pilots, in future proceedings. TURN’s recommendation has no merit and should be rejected. The Commission should encourage the development of an evidentiary record that is as complete and thorough as is practicable.

**B. ORA supports individual utility requests to include CARE/FERA customers in hot climate zones in the default pilot.**

The Commission has made clear its intent to exclude hot climate zone CARE/FERA customers from the default pilots. However, both Southern California

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<sup>1</sup> TURN Opening Comments on the Proposed Decision, at p. 1.

<sup>2</sup> TURN Opening Comments, at p. 5.

<sup>3</sup> Proposed Decision, at p. 53.

Edison Company<sup>4</sup> (SCE) and SDG&E<sup>5</sup> have requested in Comments on the PD that the PD be altered to allow them as individual utilities to include CARE/FERA customers in their default pilots, rather than having a single statewide policy of exclusion.

In the case of SDG&E, the company's bill impact analysis shows that over 50% of CARE/FERA customers in their Mountain and Desert climate zones would benefit from TOU rates without any change in behavior.<sup>6</sup> SDG&E states that "[s]ome of the unique SDG&E-specific contexts (small hot climate zone population and TOU rate design that minimizes other structural issues) provides a unique opportunity to study the impacts to CARE/FERA customers in hot climate zones while minimizing concerns regarding bill impacts."<sup>7</sup>

SDG&E "requests that the Commission revise the PD... to not exclude SDG&E's CARE/FERA customers in SDG&E's hot climate zone from participating in SDG&E's Default TOU Pilot."<sup>8</sup> Given that the bill impacts in the opt-in pilots were mild,<sup>9</sup> and the potential benefits in learnings from including hot climate zone CARE/FERA customers in the default pilot, ORA supports SDG&E's request.

### **III. CONCLUSION**

ORA respectfully submits these Reply Comments, and intends to continue working collaboratively with the Commission and stakeholders towards a successful implementation of default TOU rates.

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<sup>4</sup> SCE Opening Comments, at pp. 4-9.

<sup>5</sup> SDG&E Opening Comments, at pp. 3-13.

<sup>6</sup> SDG&E Opening Comments, at p. 12.

<sup>7</sup> SDG&E Opening Comments, at p. 13.

<sup>8</sup> SDG&E Opening Comments, at p. 15.

<sup>9</sup> "Over the course of a year, many customers would expect to see a very modest increase or decrease in bills – in the moderate and cool regions, between 60% and 85% of customers would see a structural change in their average monthly bill between ±\$3 -- in the hot region, between 35% and 40% of customers would expect to see a bill change of ±\$3," California Statewide Opt-in Time-of-Use Pricing Pilot Interim Evaluation, at p. 431.

Respectfully submitted,

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